

Financial Summary

General Fund Revenue

General Fund Revenue

Total General Fund revenue for the Fiscal Year 2004 Proposed Budget is \$739.8 million, a 1.4 percent increase over the Fiscal Year 2003 Budget. General Fund revenue funds core City services including Police, San Diego Fire-Rescue, refuse collection, library services and parks and recreation programs.

There are five major General Fund revenue sources. Property Tax, Sales Tax, Transient Occupancy Tax (TOT), Motor Vehicle License Fees (MVLFF), and Franchise Fees comprise 68.9 percent of the City's General Fund. These major revenue sources, along with other General Fund revenue sources, are highly sensitive to economic and political conditions at the local, State, and national levels.

San Diego's economy has continued to outperform both the State and national economies, although local recovery is slow. According to the Economic Research Bureau, San Diego Regional Chamber of Commerce, San Diego's real Gross Regional Product (GRP) grew at 2.4 percent in calendar year 2002, following 2.6 percent growth in 2001. This is in stark contrast to the real growth rates of 8.5 and 9.0 percent experienced in 1998 and 1999. Even with the growth rates in 2001 and 2002 being the lowest since 1995, San Diego's economy continued to post positive growth rates during the State and national recessions.

San Diego is projected to experience some positive economic growth in calendar year 2003. The San Diego Regional Chamber of Commerce forecasts a 3.3 percent growth in real GRP for the current year. In January, the unemployment rate in San Diego County reached 4.4 percent, according to the California Employment Development Department. Although the unemployment rate dropped to 4.3 percent for February and March, January's mark matched the highest rate in five years. Local consumer confidence has declined 40 percent since April 2002, and the University of San Diego's Index of Leading Economic Indicators for the San Diego region has fallen 12 months in a row through March 2003.

Other concerns for the San Diego region are rising gas prices, the war with Iraq, and the State budget deficit. Unstable gasoline prices threaten to impact consumer and business spending, as more income is spent on fuel. Alan Gin, an economics professor at the University of San Diego, estimates that for every 10 cent increase in the price of a gallon of gasoline, the regional economy loses \$5 million. Consumer spending was also threatened by military deployments for the war with Iraq, although returning troops could provide a spending boost. A huge unknown is the State budget deficit, which by some estimates is approaching \$35 billion. Among other substantial expenditure reductions, the Governor has proposed to eliminate the MVLFF backfill that is allocated to cities and counties. This proposal could jeopardize nearly \$51 million in General Fund revenue for the City of San Diego in Fiscal Year 2004.

All of the above information was analyzed and incorporated into the Fiscal Year 2004 Proposed Budget revenue forecasts, except the potential State budget impacts. The following pages in this Financial Summary contain information regarding the revenue categories listed to the right. A more detailed breakdown of these figures is provided in Schedule III, located in the Budget Summary Schedules section of this Financial Summary.

Property Tax

Other Local Taxes

- Sales Tax
- Safety Sales Tax
- Transient Occupancy Tax
- Property Transfer Tax

Licenses and Permits

Fines, Forfeitures, and Penalties

Revenue from Money and Property

- Interest Earnings
- Franchise Fees
- Rents and Concessions

Revenue from Other Agencies

- Motor Vehicle License Fees
- Other

Charges for Current Services

Other Revenue

Transfers from Other Funds

Financial Summary

General Fund Revenue

**Total City Budget
\$206.6 million**

**General Fund
Budget
\$199.8 million**

**Percent of
General Fund
27.0%**

Property Tax

Property Tax revenue collected by the County Tax Collector is a result of a one percent levy on the fair market value of all real property. Proposition 13, passed by voters in 1979, restricts aggregate Property Taxes to one percent of assessed value, and specifies that the assessed value of any real property may increase at the rate of the Consumer Price Index (CPI), not to exceed two percent per year based on the 1979 value, unless the property is improved or sold at which time the property is reassessed at market value.

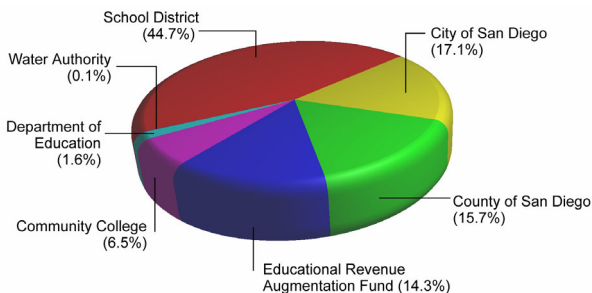
The County of San Diego distributes Property Tax in 13 apportionments to a number of agencies within the City's geographic area, including the County itself, the City of San Diego, school districts, and special districts. For every \$100 collected, the allocation to the City's General Fund totals \$17.10.

The Fiscal Year 2004 Proposed Budget for Property Tax Revenue is \$199.8 million, an eight percent growth over Fiscal Year 2003 year-end projections, reflecting a housing market that is still strong, but showing signs of gradual slowing. Although housing prices continue to rise, fewer homes are being sold. According to the San Diego Association of Realtors (SDAR), the median price of a resold detached home in March was \$393,000, 17.3 percent higher than \$335,000 in March 2002. However, existing home sales were down 21.8 percent from March 2002, following a 17.2 percent decline in January. The

decline in San Diego housing sales mirrors the national trend. According to the Commerce Department, new home sales in February fell 8.1 percent from January, while the National Association of Realtors reported that existing homes sales fell 4.3 percent.

Still, the real estate market in San Diego remains strong. Despite concerns that housing prices are over-inflated, the price increases in San Diego County are based on sound principles such as record-low mortgage rates, low housing supply, and high demand. As a result, it is not expected that housing prices will decline.

Property Tax Allocation



Over the past decade, many factors have contributed to reductions in the amount of Property Tax revenue the City has received. In Fiscal Year 1993, the State took action to reduce its obligation for school funding by shifting local Property Tax revenue to school districts. This reallocation of funds caused a permanent shift in City Property Tax that will result in a cumulative loss of over \$339.1 million through Fiscal Year 2004. In addition, the State authorized counties to charge administrative fees to cities for collecting and distributing Property Tax. For the City of San Diego, that action has further reduced annual Property Tax receipts by approximately \$2.1 million per fiscal year. In addition, increasing property values in Redevelopment Areas does not increase the General Fund share of Property Tax revenue, as any increase in Property Tax due to redevelopment must stay in the Redevelopment zone.

Property Tax is also collected for purposes other than supporting the General Fund. As allowed by Proposition 13, an additional levy above the one percent rate is collected to pay for debt service on voter approved debt. In June 1990, voters approved a \$25.5 million debt issuance to finance a new public safety communication system for the City, with a current balance of \$15.6 million. The levy is \$2.11 per \$100,000 of assessed valuation for Fiscal Year 2003. The Fiscal Year 2004 rate is to be determined later in the current year. In addition, a special tax levy of \$5.00 per \$100,000 assessed valuation is used to fund zoological exhibits. The tax rates are adjusted annually through a Tax Rate Ordinance.

Financial Summary

General Fund Revenue

Other Local Taxes

Sales Tax

Sales Tax is the City's second largest source of revenue in the General Fund. Collected at the point of sale, Sales Tax revenue is remitted to the State Board of Equalization, which allocates tax receipts owed to the City in the form of monthly payments. The City receives one cent (or 13.0 percent) of the total 7.25 cent statewide Sales Tax levied on each dollar of taxable sales. In addition, San Diego County voters approved a half-cent supplemental Sales Tax in 1987 to fund the San Diego Transportation Improvement Program (TransNet), resulting in a total Countywide Sales Tax of 7.75 percent.

Total City Budget
\$191.6 million

General Fund Budget
\$124.8 million

Percent of General Fund
16.9%

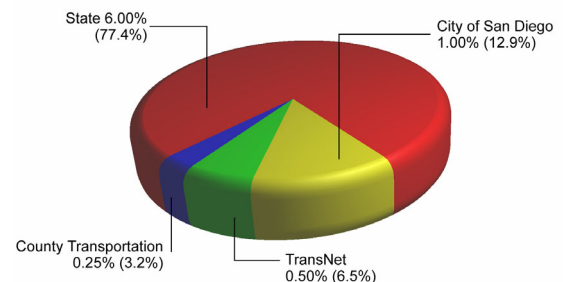
The Fiscal Year 2004 Proposed General Fund Budget for Sales Tax revenue is \$124.8 million, which is a three percent growth, reflecting a slow economic recovery. Sales Tax revenue is highly sensitive to economic conditions, and reflects the levels of unemployment, consumer confidence, per-capita income, and business investment. These factors have a positive relationship with taxable sales, which is the main determinant of Sales Tax revenue.

San Diego County's unemployment rate held steady at 4.3 percent in March 2003 according to the California Employment Development Department, unchanged from February. Even though the current rate is higher than the 4.0 percent in March 2002, it is down from the 4.4 percent in January 2003, and lower than the 4.5 percent average through the first nine months of Fiscal Year 2003. The local unemployment rate compares favorably to that of the State and the nation, which had March unemployment rates of 6.8 percent and 6.2 percent respectively. Local economists predict the unemployment rate in San Diego to remain in the mid-four percent range in calendar year 2003.

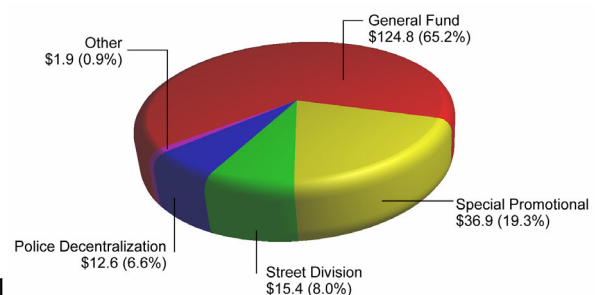
Also contributing to the low growth forecast is consumer confidence. Local consumer confidence has dropped in recent months to one of the lowest levels in history. According to the University of San Diego's Index of Leading Economic Indicators for the months September through December of 2002, consumer confidence in San Diego had dropped for six straight months, including sharp drops in the last five months. Local consumer confidence has mirrored the conditions at the national level. According to the New York-based Conference Board, the national Consumer Confidence Index fell to 62.5 in March from 64.8 in February, marking the lowest point in ten years.

While consumer confidence is significant, it does not show what consumers will actually do. The San Diego Regional Chamber of Commerce predicts that retail sales will increase by \$1 billion in calendar year 2003 to \$28.3 billion. Despite this positive forecast, the UCLA Anderson Forecast predicts that business investment will remain sluggish for at least the first six months of 2003, significantly impacting growth in taxable sales.

Sales Tax Allocation



Total City Sales Tax Allocation (In Millions)



Financial Summary

General Fund Revenue

Total City Budget
\$6.2 million

General Fund
Budget
\$3.4 million

Percent of
General Fund
0.5%

Safety Sales Tax

Safety Sales Tax revenue is derived from a half-cent Sales Tax, approved by voters on November 2, 1993 with the passage of Proposition 172, which must be utilized solely for local public safety purposes. The State Controller's Office disburses Safety Sales Tax revenue to the County Local Public Safety Fund for distribution. Cities receive five percent of the amount in the Fund based upon their 1993-94 allocation that was derived from their proportionate loss of Property Tax revenue to school districts. Subsequent legislation (Senate Bill 8) changed the allocation system for Proposition 172 revenue and lifted the cap on the share that the City of San Diego and other cities could receive. Total revenues reflect additional funds received by the City as a result of this legislation.

The Fiscal Year 2004 Proposed Budget projects a three percent growth in Safety Sales Tax receipts, reflecting slow projected growth in the local economy. As with regular Sales Tax revenue, Safety Sales Tax revenue is sensitive to economic conditions, particularly factors that influence taxable sales, such as employment levels, consumer confidence, per-capita income, and business investment. These factors indicate that taxable sales will experience a small but positive growth in Fiscal Year 2004.

Of the \$6.2 million included in the Fiscal Year 2004 Proposed Budget, approximately \$2.8 million is allocated for the debt service payments on fire and lifeguard facility improvements with the remainder allocated to the General Fund for public safety expenditures. City Council Policy 500-07 directs the use of Proposition 172 funds for new public safety expenditures to ensure an augmentation of existing General Fund public safety expenditure levels. In actuality, increases to public safety expenditures in the Police and San Diego Fire-Rescue departments have far exceeded the revenue growth of Safety Sales Tax, ensuring the City's compliance with Council Policy 500-07.

Total City Budget
\$110.7 million

General Fund
Budget
\$58.0 million

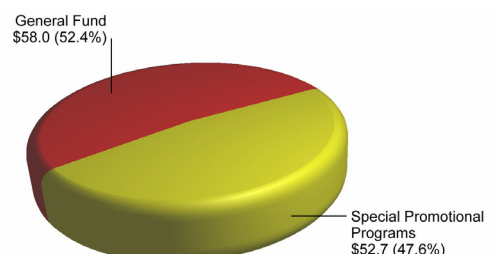
Percent of
General Fund
7.8%

Transient Occupancy Tax

Transient Occupancy Tax (TOT) is levied on the daily rental price of a room in a lodging facility when used by visitors staying in San Diego for less than 30 days. A 1.5 percent increase became effective in August 1994, increasing the TOT rate to 10.5 percent. The equivalent of 5.5 percent is allocated directly to the General Fund for general government purposes, while the balance is allocated for various promotional and other purposes as designated by City Council policy and through the Special Promotional Programs budget.

The Fiscal Year 2004 Proposed General Fund Budget for TOT revenue is \$58.0 million, a 5.5 percent growth. This conservative estimate reflects moderate growth in San Diego's tourism industry. The estimate is based on Fiscal Year 2003 year-end estimates, adjusted to remove the one-time revenues associated with Super Bowl XXXVII and new hotels. While San Diego's lodging industry has rebounded from the events of September 11, 2001 and has fared quite well compared to other top vacation destinations, growth remains slow. The war in Iraq poses another threat for the industry's recovery. Although the San Diego Convention and Visitor's Bureau (CONVIS) recently announced that the war with Iraq is not expected to hurt the local tourism industry.

Total City Transient Occupancy Tax Allocation (In Millions)



Financial Summary

General Fund Revenue

In addition, CONVIS also expressed concern about El Niño and the State budget deficit. El Niño, the ocean weather phenomenon that can alter global weather, is expected to result in warm, rainy weather for the San Diego region. It is expected, though, that the current El Niño will be weaker than in 1997-1998 when it wreaked havoc throughout the state. The State budget deficit is a concern because of the possibility of tax increases. Both of these issues could have a negative impact on tourism.

Despite these concerns, San Diego is expected to fare well in comparison to other major travel destinations. According to Smith Travel Research, San Diego's hotel occupancy rate in 2002 was the third highest in the nation, behind New York City and Oahu, Hawaii. Approximately 70 percent of San Diego's hotel guests are leisure travelers, most of whom reside within driving distance. This makes San Diego's lodging industry unique: it is less affected than other major markets by the decrease in air travel and business travel in the wake of September 11 and with renewed fears of terrorist attacks. Convention activity has performed well during Fiscal Year 2003 and is expected to continue in the future with the operation of the expanded San Diego Convention Center, open since September 2001. Adjacent to the expanded San Diego Convention Center, the San Diego Hyatt expansion is nearly completed and the W Hotel is open for business. Also being developed is the 500-room Omni hotel adjacent to the Ballpark facility and across the street from the San Diego Convention Center. The Omni Hotel is scheduled to open in the spring of 2004.

Property Transfer Tax

A Property Transfer Tax is levied on the sale of real estate property. The County charges \$1.10 per \$1,000 of sale price when any real property is transferred. The City of San Diego charges \$0.55 per \$1,000, which is credited against the County's charge, so that the City and the County both receive \$0.55 per \$1,000. The funds are collected by the County Recorder for property transfers that occur within City limits, and transferred to the City in 13 apportionments throughout the year.

The Fiscal Year 2004 Proposed Budget projects a six percent growth in Property Transfer Tax revenue, reflecting strong sales of residential and commercial property. Record-low mortgage rates and the large declines in the stock market have fueled investment in real estate. Commercial investment sales recorded all-time high prices and a near record level of sales activity in 2002, with office sales alone totaling \$1.05 billion. Residential sales activity remains strong, despite declining sales in recent months.

Property Transfer Tax revenue is influenced by real estate prices and the sales activity on the market. Although the San Diego Association of Realtors reports that existing home sales declined 17.2 percent in February 2003, the median price of a resold detached home reached \$380,000, 16.2 percent higher than \$325,000 in February of 2002. Despite the decline in sales activity, the dramatic increase in housing prices continues to generate substantial revenue from the Property Transfer Tax. Commercial real estate also provides substantial Property Transfer Tax revenue. Although there are fewer sales than in the residential market, each transaction is worth much more. For example, the sale of a median-priced home would generate just \$209, whereas the sale of the One American Plaza office tower in December 2002 for \$166.3 million generated over \$91,000 in Property Transfer Tax revenue.

Total City Budget
\$8.5 million

General Fund Budget
\$8.5 million

Percent of General Fund
1.1%

Financial Summary

General Fund Revenue

Total City Budget
\$51.8 million

General Fund
Budget
\$24.5 million

Percent of
General Fund
3.3%

Licenses and Permits

The Licenses and Permits category reflects revenue generated to recover costs associated with performing regulatory functions. These functions are typically performed by government due to public safety considerations. Included in this category are business taxes, rental unit taxes, and parking meter revenue.

The business tax for businesses with 12 or fewer employees is a flat rate of \$34. Business taxes for businesses with 13 or more employees are based on a flat rate of \$125 plus a fee of \$5 per employee. Rental unit taxes are calculated as a flat rate plus a fee per rental unit. Currently, the rental unit tax has three rate tiers for residential properties and two rate tiers for hotel/motel properties.

The Fiscal Year 2004 Proposed General Fund Budget for Licenses and Permits is \$24.5 million, a 13.4 percent increase over Fiscal Year 2003. The increase is due primarily to the projected growth in parking meter revenue.

Total City Budget
\$28.5 million

General Fund
Budget
\$27.3 million

Percent of
General Fund
3.7%

Fines, Forfeitures, and Penalties

Fines, Forfeitures, and Penalties include revenue generated from monetary sanctions associated with the violation of a law or regulation such as California Vehicle Code violations, City parking and ordinance violations, and litigation awards.

The Fiscal Year 2004 Proposed General Fund Budget for Fines, Forfeitures, and Penalties is \$27.3 million, a 1.5 percent increase over Fiscal Year 2003, which is due to a projected growth in the number of parking citations.

Financial Summary

General Fund Revenue

Revenue from Money and Property

Interest Earnings

The City Treasurer is responsible for investing the City's cash assets exclusive of City Pension Trust Funds. All City funds are pooled and invested together to facilitate increased flexibility in the management of the portfolio for the purpose of maximizing interest earnings. Fund investment must be consistent with the City's investment policy and the State's restrictions on types of investments. Investments may be held up to five years, depending on the climate in the investment marketplace and the cash flow requirements of the City.

The projections for interest earnings are based on assumptions as to the average amount to be invested and a forecast of the general level of interest rates throughout the fiscal year. The City Treasurer is currently managing the core portfolio on a total return basis. Major deviations in returns from one fiscal year to the next can generally be attributed to changes in market interest rates or the actual average amount invested in the fiscal year. Past interest performance is no guarantee of future results.

The decline in interest rates over the last couple of years has increased the value of securities bought in prior periods when interest rates were generally higher. When these securities are sold, the City realizes this increase in value as capital gains which are included in Interest Earnings.

When portfolio securities are sold in a declining interest rate environment, the proceeds from those sales are reinvested at lower yields. The financial impact of lower reinvestment yields will result in a reduction of future interest earnings as compared to Fiscal Year 2003. Should interest rates start to rise in the next fiscal year, securities that are owned will experience an immediate decrease in value. Higher reinvestment yields will mitigate some of the impact to projected interest earnings. Based on these assumptions, as well as the fact that the General Fund's ratio of the investment pool is also declining, the City's total interest earnings for Fiscal Year 2004 will be significantly less than in Fiscal Year 2003. The Fiscal Year 2004 Proposed Interest Earnings Budget is projected to be \$1.2 million, which will result in a \$4.7 million reduction in General Fund earnings compared to the Fiscal Year 2003 budget.

Franchise Fees

Franchise Fees are paid to the City of San Diego by private utility companies in exchange for the permission to use the City's rights-of-way. Franchise Fees are usually charged as a percentage of gross sales, although other types of charges are common. Rates are set through Franchise Agreements that are negotiated with individual utility companies, which often contain provisions for renegotiation after a standard period of time. The City of San Diego currently has franchise agreements with San Diego Gas & Electric (SDG&E), Cox Communications, and Time Warner Cable. In addition, the City collects a Refuse Haulers Franchise Fee from private refuse haulers.

The Fiscal Year 2004 Proposed Budget projects a five percent increase in Franchise Fee revenue from SDG&E, the largest generator of Franchise Fee revenue. SDG&E is charged three percent of gross gas and electric sales within the City of San Diego. This revenue is required to be allocated as follows: 75 percent to the General Fund and 25 percent to the Environmental Growth Fund (EGF). One-third of the EGF is used to

Total City Budget
\$33.5 million

General Fund Budget
\$1.2 million

Percent of General Fund
0.2%

Total City Budget
\$101.0 million

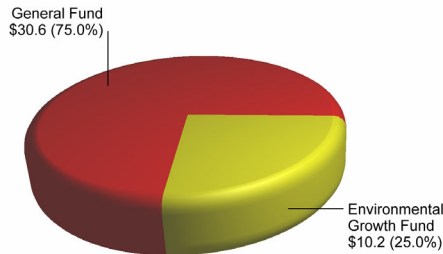
General Fund Budget
\$52.1 million

Percent of General Fund
7.0%

Financial Summary

General Fund Revenue

Total City SDG&E Franchise Fee Allocation (In Millions)



finance various environmental programs such as regional park and open space maintenance. The remaining two-thirds of the EGF is used for debt service on open space acquisition bonds.

The Franchise Fee revenue from SDG&E has been unstable over the last two years due to the energy industry's deregulations. In Fiscal Year 2002, the Franchise Fee revenue from SDG&E was significantly higher than budgeted due to an enormous increase in natural gas prices. In Fiscal Year 2003, a significant and unexpected decrease in natural gas prices will result in lower than budgeted revenue from SDG&E Franchise Fees.

In addition to the current three percent Franchise Fee, the City Council approved a surcharge on electricity sales, which is 4.5 percent on an annual basis, for the undergrounding of electric utility lines. The surcharge is estimated to raise \$38.8 million per year for the City, to be used solely for the purpose of placing utility lines underground. The surcharge was approved by the California Public Utilities Commission in December 2002.

The Franchise Agreement with Cox Communications was renegotiated in 2002, which increased the Franchise Fee charged to the cable provider from three to five percent of gross sales. Time Warner Cable continues to be charged three percent of gross sales. In July 2002, the Refuse Haulers Franchise Fee was increased by \$1 to \$10 per ton for Class I haulers (less than 75,000 tons per year) and \$11 per ton for Class II haulers (more than 75,000 tons per year). Another \$1 increase is proposed for Fiscal Year 2004.

**Total City Budget
\$52.4 million**

**General Fund
Budget
\$29.0 million**

**Percent of
General Fund
3.9%**

Rents and Concessions

The Rents and Concessions category includes General Fund revenue generated from Mission Bay Park, Balboa Park and Torrey Pines Golf Course.

The largest component of this category is Mission Bay Park rents and concessions revenue, the majority of which is generated from leases with Sea World, Marina Village Conference Center, and hotels and marinas within Mission Bay Park. This revenue source is projected at \$20.0 million in Fiscal Year 2004.

Another component of this category relates to revenue generated from lease agreements on City Pueblo lands, which in Fiscal Year 2004 is projected at \$3.1 million.

Financial Summary

General Fund Revenue

Revenue from Other Agencies

Motor Vehicle License Fees

Motor Vehicle License Fees (MVLFF) are calculated as a percentage of an automobile's market value and are paid annually to the Department of Motor Vehicles at the time of registration. The fees are forwarded to the State Controller's Office and are distributed statewide to counties and cities on a per capita basis. Of the total revenue received by the State, cities and counties are apportioned 81.25 percent and 18.75 percent, respectively. Notably, because statewide revenues are distributed on a per capita basis, increases to local vehicle sales do not directly translate into local MVLFF revenue increases.

The Fiscal Year 2004 Proposed Budget for MVLFF is \$74.9 million, a three percent increase over Fiscal Year 2003 year-end projections. This conservative estimate reflects a slight decrease in statewide auto sales, as zero percent financing and other incentives in calendar year 2002 have likely "stolen" auto sales from 2003 and 2004.

New vehicle registrations in California, which affect the MVLFF collected by the State, recorded tremendous growth during Fiscal Year 2003. According to *Economy.com*, a leading provider of macroeconomic data, consumers purchased a seasonally-adjusted average of 16.7 million new cars and light trucks per month in calendar year 2002, the fourth best year on record. In Fiscal Year 2004, growth in automobile sales is projected to continue, although at a slower rate. *Economy.com* recently reported that first quarter auto sales in 2003 are weaker than first quarter sales in 2002. The online data provider estimates that a seasonally-adjusted average of 16.2 million new vehicles will be purchased each month in calendar 2003.

In 1999, the State legislature enacted a 67 percent offset in the MVLFF, from two percent of a vehicle's value to 0.67 percent. To compensate cities and counties for the tax offset, the State has backfilled the loss of revenue to cities and counties from the State General Fund. However, in response to the estimated \$34 billion State budget deficit, the Governor has proposed to eliminate the MVLFF backfill that is currently paid to cities and counties. While no decision on this matter has yet been reached, there is uncertainty regarding MVLFF revenue for Fiscal Year 2004. If the State does eliminate the backfill, the City of San Diego stands to lose over \$50 million in MVLFF revenue. The Fiscal Year 2004 Proposed Budget does not account for this potential reduction in MVLFF revenue.

Other

A significant amount of revenue received by the City is initially collected by other agencies and then returned (or subvented) to the City. Within the General Fund, Revenues from Other Agencies include federal and State grants, and reimbursement for general City services provided to the Unified Port District.

The Fiscal Year 2004 Proposed Budget includes revenue totaling approximately \$10.4 million in this category, including \$5.2 million in State reimbursements for booking-fee related expenses. However, due to the State budget deficit, it is unclear whether the State will continue to reimburse Cities and Counties for jail-related expenses in Fiscal Year 2004. The City expects to receive \$2.5 million from the State for the Community Policing Services (COPS) Program and \$1.2 million in Local Law Enforcement Block Grant.

Total City Budget
\$74.9 million

General Fund Budget
\$74.9 million

Percent of General Fund
10.1%

Total City Budget
\$102.5 million

General Fund Budget
\$10.4 million

Percent of General Fund
1.4%

Financial Summary

General Fund Revenue

The State Police Officer Standards and Training (POST) grant reimbursement, included in the General Fund beginning in Fiscal Year 1995, is budgeted at \$100,000 in Fiscal Year 2004.

**Total City Budget
\$703.1 million**

**General Fund
Budget
\$71.3 million**

**Percent of
General Fund
9.6%**

Charges for Current Services

Charges for Current Services includes revenue generated by General Fund departments resulting from services provided to other City funds. General Fund departments regularly incur expenses in the process of performing services for other City funds and receive reimbursement for direct, indirect, and overhead costs. Such instances include general government services and facilities maintenance services provided to other City funds. Refer to Schedule III of this Financial Summary for a breakdown of the budgetary data by subcategory.

**Total City Budget
\$414.2 million**

**General Fund
Budget
\$1.3 million**

**Percent of
General Fund
0.2%**

Other Revenue

Other Revenue represents 0.2 percent of total General Fund revenue and mainly consists of revenue generated from the sale of publications and excess inventory. This category, however, represents a substantial portion of the Sewer Fund and Water Fund revenues related to bond proceeds.

**Total City Budget
\$136.0 million**

**General Fund
Budget
\$42.4 million**

**Percent of
General Fund
5.7%**

Transfers from Other Funds

The revenue in the Transfers from Other Funds category reflects transfers to the General Fund from several funds and includes a transfer from Special Promotional Programs to cover the costs of maintenance of tourist-oriented facilities and permanent police officers added during Fiscal Years 1994 through 1998 in response to the adoption of the Public Safety Ordinance.